VZCZCXRO5013 PP RUEHBC RUEHDU RUEHKUK RUEHMR RUEHPA RUEHRN RUEHROV RUEHTRO DE RUEHEG #1567/01 2061205 ZNY CCCCC ZZH P 241205Z JUL 08 FM AMEMBASSY CAIRO TO RUEHC/SECSTATE WASHDC PRIORITY 9925 INFO RUEHZO/AFRICAN UNION COLLECTIVE RUEHEE/ARAB LEAGUE COLLECTIVE RUEHTV/AMEMBASSY TEL AVIV 1747 RUEHJM/AMCONSUL JERUSALEM 1050 RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL RUEKJCS/SECDEF WASHINGTON DC C O N F I D E N T I A L SECTION 01 OF 04 CAIRO 001567

SIPDIS

DEPARTMENT FOR NEA/ELA, AF/RA USAID FOR ANA OSD FOR AGUIRRE

E.O. 12958: DECL: 06/29/2018

TAGS: <u>PREL PREF SENV EWWT EAGR EG ET SU SO</u>
SUBJECT: EGYPT: ESSENTIAL INTERESTS IN THE NILE BASIN AND

HORN OF AFRICA

REF: A. CAIRO 1528 ¶B. CAIRO 1258 1C. CAIRO 1414 1D. CAIRO 965 1E. CAIRO 859
1F. CAIRO 587 ¶G. CAIRO 484 ¶H. CAIRO 411 11. CAIRO 390 ¶J. CAIRO 234 ¶K. CAIRO 47 ¶L. 2007 CAIRO 3516 ¶M. 2006 CAIRO 170

Classified by Minister Counselor for Economic and Political Affairs William R. Stewart for reasons 1.4 (b) and (d).

 $\P1$. (C) Summary: Egyptian officials emphasize that Egypt is a leader not only in the Arab world but also in Africa. Outside of projecting regional weight, though, Egypt's core interests in Africa center on maintaining security of Nile water resources and managing the often illegal flow of people and goods into Egypt, pushed by instability in the Nile Basin and Horn of Africa. As a result, the GOE helps to mediate conflicts, provides development and humanitarian assistance, and supports regional peacekeeping and security operations. However, Egypt's focus on stability also ties its hands on pressuring incumbent governments, most notably in Sudan. Egypt seeks deeper cooperation with the U.S. on Africa, which gives us an opportunity in turn to leverage Egypt on our development and security priorities on the continent. End summary.

Egypt Claims African Weight

 $\P 2.$ (SBU) Egypt's leaders do not miss an opportunity to note that Egypt is a leader in Africa, and not just in the Arab world. Foreign Minister Ahmed Aboul Gheit described for a visiting U.S. congressional delegation Egypt's "energetic" policy in Africa, including diplomatic missions in 49 African countries, a twenty-year old development assistance program, contributions to peace-keeping missions, and religious outreach (ref J). Egypt hosts regional African conferences, most recently the African Union Summit in the resort town of Sharm El Sheikh in June 2008. On security, a Ministry of Defense (MOD) fact sheet boasts that Egypt has "contributed to most of the regional and international peace-keeping missions in Africa since 1960." When the U.S. Department of Defense created AFRICOM but kept Egypt under CENTCOM's purview, Egyptian officials worried that the USG was not

recognizing Egypt's military importance in Africa (ref G). On humanitarian assistance, Egypt created in 1980 the Egyptian Fund for Technical Cooperation with Africa (EFTCA). EFTCA office Counselor Tamer Hamouda told us that the EFTCA has a direct budget of LE 90 million (USD 17 million) per year for humanitarian and development projects, and that a large portion of the projects are health related due to urgent needs in African countries and a glut of Egyptian doctors.

Guarding Nile Waters

- ¶3. (U) Egypt's internal stability is directly linked to security of the Nile, the waters of which pass through nine other countries before arriving in Egypt. Egypt gets 83 percent of its water from the Nile, and due to population growth has been considered a "water impoverished" country under the "poverty" line of 1000 cubic meters of water per capita annually since 2000, according to the UN Food and Agriculture Organization. This is particularly problematic for Egypt's food security; about 81 percent of Egypt's water is used for agriculture. The GOE has a stated objective of achieving national self-sufficiency in staple foods, but Egypt already imports half of its wheat the primary staple.
- 14. (U) Egypt has faced civil strife this year due to scarce food and limited water resources. Shortages of subsidized bread in spring 2008 prompted long lines at subsidized bakeries, clashes, and protests; eventually President Mubarak called in the army to open its bakeries to the public and to

CAIRO 00001567 002 OF 004

oversee separation of production and distribution of subsidized bread (ref F). In July, security personnel forcibly secured a water distribution source and several Egyptians were injured in protests, local press reported, after farmers in one Delta governorate cut off irrigation to farmers in a neighboring governorate over fear of water shortages.

15. (SBU) The status quo favors Egypt in its water relations with the nine other riparian states. A 1959 agreement with Sudan sets Egypt's share of Nile water usage at 55.5 billion cubic meters (BCM) annually, of which Egypt already uses its full share. A pending agreement under the Nile Basin Initiative (NBI) - a cooperative organization of the ten riparian states - would apportion water shares throughout all ten countries. Egypt has so far balked, worrying that the agreement would facilitate water projects in upstream countries that might reduce Egypt's share of Nile waters. However, water project partnerships between Egypt and other NBI countries could potentially benefit Egypt. For instance, the Gonglei Canal project in southern Sudan, on hold since 1983 due to civil war in Sudan and general lack of security, would increase Egypt's annual water share by up to 2 billion BCM per year if completed.

Security Concerns from Regional Problems

16. (U) Egypt's relative stability, border with Israel, and long, difficult to defend land and sea borders make the country a magnet for refugees and economic migrants from Sudan and the Horn of Africa. Egypt hosts by some estimates one to two million Sudanese, of which several hundred thousand may be refugees, although the UNHCR has officially registered only about 25,000. Even those who are not refugees are often poor economic migrants, stressing Egypt's already tight social services, competing with Egyptians for low-income jobs, and more recently turning to crime and violence (ref L). Egypt also hosts other African refugees and migrants, and has seen an influx of Eritreans since the beginning of 2008 (ref B). Since summer 2007, a growing number of Africans have left Egyptian cities, or entered Egypt purely as a jumping-off point, to illegally cross the

Sinai in search of better economic opportunities in Israel (ref D).

- 17. (C) In late 2005, Egyptian police violently dispersed a three-month long Sudanese sit-in outside the UNHCR's downtown Cairo headquarters, killing 29 Sudanese, who were protesting the UNHCR's moratorium on resettling South Sudanese refugees outside Egypt after the end of the Sudanese north-south civil war (ref M). The MFA's Deputy Assistant Minister for Refugees has told us that, since then, his primary directive regarding Sudanese refugees in Egypt is to "make sure that doesn't happen again." After a marked increase in the number of Eritreans entering Egypt to reach Israel, in June the GOE forcibly returned hundreds to Eritrea, the first time in recent history that Egypt has acted in contravention of its international commitments to protect refugees (ref B).
- ¶8. (C) Violent altercations along the Egypt-Israel border between Egyptian border security forces and African migrants and their smugglers have resulted in the death of at least a dozen migrants since the beginning of 2008 and of one Egyptian soldier in July, according to press reports. GOE officials claim that Egyptian security has no way of distinguishing migrant smugglers from terrorists or weapons or drug runners along the Israeli border (ref D).
- ¶9. (C) Given the large number of Africans entering the country, we assess but GOE officials have not confirmed that the GOE is also concerned about its ability to control smuggling of people, terrorists, weapons, and drugs into the country through its land borders with Libya and Sudan and the Red Sea coast. The GOE aggressively guards its sovereignty on these borders; for instance, the MFA claimed Egyptian sovereignty over Red Sea waters when it raised objections to plans in the UN and International Maritime Organization that would sanction international forces to conduct anti-piracy efforts off the coast of Somalia (ref E).

Supporting Stability in the Region, But Hands Tied In Sudan CAIRO 00001567 $\,$ 003 OF 004

- 110. (SBU) Egypt seeks to protect its Nile interests and limit the illegal flow of people and goods by supporting "stability" in its neighbors. Egypt has been particularly active in mediating between north and south Sudan in efforts to keep the fragile 2005 Comprehensive Peace Agreement (CPA) that ended the north-south civil war intact. The GOE has also attempted to provide a bridge between Khartoum and Darfur rebels and between the Somali Transitional Federal Institutions (TFI) and Somali rebels. Developmentally, Counselor Hamouda of the EFTCA said that, although the GOE attempts to spread development projects equally among African countries, development in the Nile Basin countries - along with the OIC countries - is "very important" for Egypt's national security. For instance, Egypt, and the Arab League in which Egypt plays a leading role, has pushed development in South Sudan and Darfur to make unity and peace attractive (ref I). Egypt is also in the process of deploying over 2000 peace-keepers to the UN/AU Mission in Darfur (UNAMID) and has over 800 deployed to the UN Mission in Sudan (UNMIS). contacts claim that the Egyptian field hospital in Darfur has to date treated over 250,000 Sudanese patients.
- 111. (C) The GOE's concern for stability in its neighbors can also tie its hands on regional issues, and nowhere is this more evident than in Sudan. The GOE sees the GOS, and in particular its current commitment to the CPA, as an essential element of maintaining a modicum of stability in Sudan, despite the continuing low-level violence in Darfur. As MFA Spokesman and Senior Advisor Hossam Zaki told us recently, destabilizing the GOS would affect Egypt "more than any other country in the world" (ref A), presumably to include Egypt bearing the brunt of refugees and spill-over from a return to civil war. Therefore, the GOE consistently refuses to push

the GOS on Darfur, seeing such pressure as potentially destabilizing. Cairo refused to lobby for restraint when Khartoum-backed rebels attacked the Chadian capital of N'djamena (ref K), and has consistently pushed for more international "pressure" on the Darfur rebels at the same time that it lobbied for "confidence-building" with Khartoum (ref H).

112. (C) Supporting Arab unity, despite suspicions that Sudanese President Bashir's Islamist government supported an assassination attempt on Egyptian President Mubarak in Ethiopia in 1995, also pushes Egypt to side with the Sudanese regime on Darfur. Most recently, in July the Arab League, with strong Egyptian support, criticized the International Criminal Court (ICC) Chief Prosecutor's request for an arrest warrant against Sudanese President Bashir as "unbalanced" (ref A). This came in an atmosphere where Egyptian public officials and opinionists questioned why the "West" was singling out Arab leaders for trial but was ignoring "war criminals" like Israeli Prime Minister Olmert or U.S. President Bush.

Seeking U.S. Cooperation on Africa

113. (C) The GOE is seeking more cooperation with the U.S. on Africa. Deputy Foreign Minister Wafaa Bassim brought the MFA cabinet advisor for African affairs to Washington in July, pushed for a recurring U.S.-Egypt dialog on Africa, and proposed that the U.S. and Egypt work together on "trilateral" development projects in Africa. The MFA was receptive in principle to our recent request that Egypt provide urgently needed naval escorts for World Food Program (WFP) shipments to the Horn of Africa (ref C), but indicated that the Ministry of Defense would be unlikely to approve the operation without external funding.

Comment

116. (C) The GOE has finite financial resources and sometimes limited access to African partners, especially non-Arab ones. We assess that the GOE sees cooperation with the U.S. - with our money and sometimes more positive image - as a force multiplier to achieve Egypt's interests in Africa, namely projecting Egyptian influence and achieving stability for its neighbors through regional mediation, development, and

CAIRO 00001567 004 OF 004

security cooperation. The GOE is particularly keen to be seen as active on the humanitarian side and would likely consider any humanitarian or development initiatives, particularly medical ones, though GOE funding would be limited. Another potential area for cooperation is border security with Sudan and on the Red Sea coast, to help limit the illegal flow of people, weapons, drugs, and terrorists through Egypt to Israel. GOE sensitivity over what it considers matters of sovereignty would make such cooperation an uphill battle, but given the large amount of U.S. Foreign Military Financing (FMF) - some of which Egypt uses to procure military hardware and expertise to address border issues - and Egypt's security concerns and focus on Sudan, this seems a natural confluence. SCOBEY